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FISCAL IMPACT REPORT

SPONSOR Hamilton DATE TYPED 3/18/05 HB 888/aHEC

SHORT TITLE Zia Award Receipt Recognition SB _____

ANALYST Williams

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$500.0			Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

No Response Received From
Commission on Higher Education (CHE)

SUMMARY

Synopsis of HEC Amendment

The House Education Committee amendment reduces the appropriation amount for the CHE to award recipients of the Zia Quality Award from \$5 million to \$500.0 thousand.

Synopsis of Original Bill

House Bill 888 appropriates \$5 million from the general fund to the Commission on Higher Education for an award to a New Mexico four-year public institution of higher education which confers baccalaureate degrees and has received a New Mexico Zia Quality Award from Quality New Mexico.

Significant Issues

In 2004, Western New Mexico University received the Zia Award from Quality New Mexico. Quality New Mexico models products and services after the Malcolm Baldrige National Quality Award program. The Zia is the highest award a company or institution can earn through Quality New Mexico and recognizes demonstrated practices and achievements.

PERFORMANCE IMPLICATIONS

The recipient of this award, Western New Mexico University, received a performance review by trained examiners and judges utilizing quality principles.

FISCAL IMPLICATIONS

The appropriation of \$5 million contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 would revert to the general fund.

OTHER SUBSTANTIVE ISSUES

San Juan College received the Zia Quality Award from Quality New Mexico in 2000.

ALTERNATIVES

In 2003, the Legislature established the higher education performance fund, which is administered by the Commission on Higher Education. Money in the fund is to be distributed annually to each public post-secondary educational institution that meets performance standards in the preceding year (Laws of 2003, Chapter 388). The fund was established pursuant to the recommendations of the blue ribbon task force on higher education formula funding. To date, monies have not been appropriated to the fund. The legislature may wish to consider the higher education performance fund as a mechanism to plan and prioritize needs such as those as identified in this bill.

POSSIBLE QUESTIONS

1. On what criteria is the Zia Quality Award based?
2. Are any other monetary awards available to Zia winners?
3. Are other public, post-secondary institutions applying for Quality New Mexico awards?
4. What other entities are reviewing quality initiatives of public, post-secondary institutions?

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